

106TH CONGRESS  
1ST SESSION

# H. R. 2668

To amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for election for Federal office, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 1999

Mr. THOMAS (for himself, Mr. NEY, Mr. BOEHNER, Mr. EHLERS, Mr. MICA, and Mr. EWING) introduced the following bill; which was referred to the Committee on House Administration

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## A BILL

To amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for election for Federal office, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Campaign Reform and Election Integrity Act of 1999”.

6 (b) TABLE OF CONTENTS.—The table of contents of  
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. References in act.

TITLE I—BAN ON FOREIGN CONTRIBUTIONS

Sec. 101. Extension of ban on foreign contributions to all campaign-related disbursements; protecting equal participation of eligible voters.

#### TITLE II—IMPROVING REPORTING OF INFORMATION

Sec. 201. Mandatory electronic filing for certain reports; expediting reporting of information.

Sec. 202. Reporting of secondary payments; expansion of other types of information reported.

Sec. 203. Disclosure requirements for certain soft money expenditures of political parties.

#### TITLE III—STRENGTHENING ENFORCEMENT AND ADMINISTRATION OF FEDERAL ELECTION COMMISSION

Sec. 301. Standards for initiation of actions and written responses by Federal Election Commission.

Sec. 302. Banning acceptance of cash contributions greater than \$100.

Sec. 303. Deposit of certain contributions and donations to be returned to donors in Treasury account.

Sec. 304. Alternative procedures for imposition of penalties for reporting violations.

Sec. 305. Abolition of ex officio membership of Clerk of House of Representatives and Secretary of Senate on Commission.

Sec. 306. Broader prohibition against force and reprisals.

#### TITLE IV—SIMPLIFYING AND CLARIFYING FEDERAL ELECTION LAW

Sec. 401. Application of aggregate contribution limit on calendar year basis during non-election years.

Sec. 402. Treatment of lines of credit obtained by candidates as commercially reasonable loans.

Sec. 403. Repeal Secretary of Commerce reports on district-specific population.

Sec. 404. Technical correction regarding treatment of honoraria.

#### TITLE V—EFFECTIVE DATE

Sec. 501. Effective date.

### 1 **SEC. 2. REFERENCES IN ACT.**

2       Except as otherwise specifically provided, whenever in  
3 this Act an amendment is expressed in terms of an amend-  
4 ment to or repeal of a section or other provision, the ref-  
5 erence shall be considered to be made to that section or  
6 other provision of the Federal Election Campaign Act of  
7 1971 .

# **TITLE I—BAN ON FOREIGN CONTRIBUTIONS**

## **SEC. 101. EXTENSION OF BAN ON FOREIGN CONTRIBU- TIONS TO ALL CAMPAIGN-RELATED DIS- BURSEMENTS; PROTECTING EQUAL PARTICI- PATION OF ELIGIBLE VOTERS.**

(a) PROHIBITION ON DISBURSEMENTS BY FOREIGN  
NATIONALS.—Section 319 (2 U.S.C. 441e) is amended—

(1) in the heading, by striking “contributions”  
and inserting “donations and other disbursements”;

(2) in subsection (a), by striking “contribution”  
each place it appears and inserting “donation or  
other disbursement”; and

(3) in subsection (a), by striking the semicolon  
and inserting the following: “, including any dona-  
tion or other disbursement to a political committee  
of a political party and any donation or other dis-  
bursement for an independent expenditure;”.

(b) CODIFICATION OF REGULATIONS PROHIBITING  
USE OF FOREIGN FUNDS BY MULTICANDIDATE POLIT-  
ICAL COMMITTEES; PROTECTING EQUAL PARTICIPATION  
OF ELIGIBLE VOTERS IN CAMPAIGNS AND ELECTIONS.—  
Section 319 (2 U.S.C. 441e) is amended—

(1) by redesignating subsection (b) as sub-  
section (d); and

1           (2) by inserting after subsection (a) the fol-  
2       lowing new subsections:

3       “(b) It shall be unlawful for any person organized  
4       under or created by the laws of the United States or of  
5       any State or other place subject to the jurisdiction of the  
6       United States to make any donation or other disbursement  
7       to any candidate for political office in connection with an  
8       election for any political office, or to make any donation  
9       or other disbursement to any political committee or to any  
10      organization or account created or controlled by any  
11      United States political party, unless such donation or dis-  
12      bursement is derived solely from funds generated from  
13      such person’s own business activities in the United States.

14      “(c) Nothing in this Act may be construed to prohibit  
15      any individual eligible to vote in an election for Federal  
16      office from making contributions or expenditures in sup-  
17      port of a candidate for such an election (including vol-  
18      untary contributions or expenditures made through a sep-  
19      arate segregated fund established by the individual’s em-  
20      ployer or labor organization) or otherwise participating in  
21      any campaign for such an election in the same manner  
22      and to the same extent as any other individual eligible to  
23      vote in an election for such office.”.

24      (b) EFFECTIVE DATE.—The amendments made by  
25      this section shall apply with respect to contributions, do-

1 nations, and other disbursements made on or after the  
 2 date of the enactment of this Act.

## 3 **TITLE II—IMPROVING** 4 **REPORTING OF INFORMATION**

### 5 **SEC. 201. MANDATORY ELECTRONIC FILING FOR CERTAIN** 6 **REPORTS; EXPEDITING REPORTING OF IN-** 7 **FORMATION.**

8 (a) REQUIRING ELECTRONIC FILING WITHIN 24  
 9 HOURS OF CERTAIN CONTRIBUTIONS AND INDEPENDENT  
 10 EXPENDITURES MADE WITHIN 90 DAYS OF ELECTION.—

11 (1) IN GENERAL.—Section 304(a) (2 U.S.C.  
 12 434(a)) is amended by adding at the end the fol-  
 13 lowing new paragraph:

14 “(12)(A) Notwithstanding any other provision of this  
 15 Act, each political committee described in subparagraph  
 16 (B)(i) that receives a contribution in an amount equal to  
 17 or greater than \$200, and any person described in sub-  
 18 paragraph (B)(ii) who makes an independent expenditure,  
 19 during the period which begins on the 90th day before an  
 20 election and ends at the time the polls close for such elec-  
 21 tion shall, with respect to any information required to be  
 22 filed with the Commission under this section with respect  
 23 to such contribution or independent expenditure, file and  
 24 preserve the information using electronic mail, the Inter-  
 25 net, or such other method of instantaneous transmission

1 as the Commission may permit, and shall file the informa-  
 2 tion within 24 hours after the receipt of the contribution  
 3 or the making of the independent expenditure.

4 “(B) For purposes of subparagraph (A)—

5 “(i) a political committee described in this  
 6 clause is a political committee that has received an  
 7 aggregate amount of contributions equal to or great-  
 8 er than \$50,000 with respect to the election cycle in-  
 9 volved; and

10 “(ii) a person described in this clause is a per-  
 11 son who makes an aggregate amount of independent  
 12 expenditures during the election cycle involved or  
 13 during any of the 2 previous 2-year general election  
 14 cycles in an amount equal to or greater than  
 15 \$10,000.

16 “(C) The Commission shall make the information  
 17 filed under this paragraph available on the Internet imme-  
 18 diately upon receipt.”.

19 (2) INTERNET DEFINED.—Section 301(19) (2  
 20 U.S.C. 431(19)) is amended to read as follows:

21 “(19) The term ‘Internet’ means the international  
 22 computer network of both Federal and non-Federal inter-  
 23 operable packet-switched data networks.”.

24 (b) REQUIRING REPORTS OF CERTAIN FILERS TO  
 25 BE TRANSMITTED ELECTRONICALLY; CERTIFICATION OF

1 PRIVATE SECTOR SOFTWARE.—Section 304(a)(11)(A) (2  
 2 U.S.C. 434(a)(11)(A)) is amended by striking the period  
 3 at the end and inserting the following: “, except that in  
 4 the case of a report submitted by a person who reports  
 5 an aggregate amount of contributions or expenditures (as  
 6 the case may be) in all reports filed with respect to the  
 7 election cycle involved (taking into account the period cov-  
 8 ered by the report) in an amount equal to or greater than  
 9 \$50,000, the Commission shall require the report to be  
 10 filed and preserved by electronic mail, the Internet, or  
 11 such other method of instantaneous transmission as the  
 12 Commission may permit. The Commission shall certify (on  
 13 an ongoing basis) private sector computer software which  
 14 may be used for filing reports by such methods.”.

15 (c) REQUIRING REPORTS FOR ALL CONTRIBUTIONS  
 16 MADE WITHIN 20 DAYS OF ELECTION; REQUIRING RE-  
 17 PORTS TO BE MADE WITHIN 24 HOURS.—Section  
 18 304(a)(6)(A) (2 U.S.C. 434(a)(6)(A)) is amended—

19 (1) by striking “after the 20th day, but more  
 20 than 48 hours before any election” and inserting  
 21 during the period which begins on the 20th day be-  
 22 fore an election and ends at the time the polls close  
 23 for such election”; and

24 (2) by striking “48 hours” the second place it  
 25 appears and inserting the following: “24 hours (or,

1 if earlier, by midnight of the day on which the con-  
 2 tribution is deposited)”.  
 3

4 (d) REQUIRING ACTUAL RECEIPT OF CERTAIN INDE-  
 5 PENDENT EXPENDITURE REPORTS WITHIN 24 HOURS.—

6 (1) IN GENERAL.—Section 304(c)(2) (2 U.S.C.  
 7 434(c)(2)) is amended in the matter following sub-  
 8 paragraph (C)—

9 (A) by striking “shall be reported” and in-  
 10 serting “shall be filed”; and

11 (B) by adding at the end the following new  
 12 sentence: “Notwithstanding subsection (a)(5),  
 13 the time at which the statement under this sub-  
 14 section is received by the Secretary, the Com-  
 15 mission, or any other recipient to whom the no-  
 16 tification is required to be sent shall be consid-  
 17 ered the time of filing of the statement with the  
 18 recipient.”.

19 (2) CONFORMING AMENDMENT.—Section  
 20 304(a)(5) (2 U.S.C. 434(a)(5)) is amended by strik-  
 21 ing “or (4)(A)(ii)” and inserting “or (4)(A)(ii), or  
 22 the second sentence of subsection (c)(2)”.

23 (e) CHANGE IN CERTAIN REPORTING FROM A CAL-  
 24 ENDAR YEAR BASIS TO AN ELECTION CYCLE BASIS.—

25 (1) IN GENERAL.—Section 304(b) (2 U.S.C.  
 434(b)) is amended—



1 (A) by inserting “(or election cycle, in the  
2 case of an authorized committee of a candidate  
3 for Federal office)” after “calendar year” each  
4 place it appears in paragraphs (2), (3), (4), and  
5 (7); and

6 (B) in paragraph (6)(A), by striking “cal-  
7 endar year” and inserting “election cycle”.

8 (2) ELECTION CYCLE DEFINED.—Section 301  
9 (2 U.S.C. 431) is amended by adding at the end the  
10 following:

11 “(20) ELECTION CYCLE.—Except as the Commission  
12 may otherwise provide, the term ‘election cycle’ means,  
13 with respect to an election, the period beginning on the  
14 day after the date of the most recent general election for  
15 the office involved and ending on the date of the election.”.

16 (f) CLARIFICATION OF PERMISSIBLE USE OF FAC-  
17 SIMILE MACHINES AND ELECTRONIC MAIL TO FILE RE-  
18 PORTS.—Section 304(a)(11)(A) (2 U.S.C. 434(a)(11)(A))  
19 is amended by striking “method,” and inserting the fol-  
20 lowing: “method (including by facsimile device or elec-  
21 tronic mail in the case of any report required to be filed  
22 within 24 hours after the transaction reported has oc-  
23 curred),”.

1 **SEC. 202. REPORTING OF SECONDARY PAYMENTS; EXPAN-**  
2 **SION OF OTHER TYPES OF INFORMATION RE-**  
3 **PORTED.**

4 (a) REQUIRING RECORD KEEPING AND REPORT OF  
5 SECONDARY PAYMENTS BY CAMPAIGN COMMITTEES.—

6 (1) REPORTING.—Section 304(b)(5)(A) (2  
7 U.S.C. 434(b)(5)(A)) is amended by striking the  
8 semicolon at the end and inserting the following: “,  
9 and, if such person in turn makes expenditures  
10 which aggregate \$5,000 or more in an election cycle  
11 to other persons (not including employees) who pro-  
12 vide goods or services to the candidate or the can-  
13 didate’s authorized committees, the name and ad-  
14 dress of such other persons, together with the date,  
15 amount, and purpose of such expenditures;”.

16 (2) RECORD KEEPING.—Section 302 (2 U.S.C.  
17 432) is amended by adding at the end the following  
18 new subsection:

19 “(j) A person described in section 304(b)(5)(A) who  
20 makes expenditures which aggregate \$5,000 or more in  
21 an election cycle to other persons (not including employ-  
22 ees) who provide goods or services to a candidate or a can-  
23 didate’s authorized committees shall provide to a political  
24 committee the information necessary to enable the com-  
25 mittee to report the information described in such sec-  
26 tion.”.

1           (3) NO EFFECT ON OTHER REPORTS.—Nothing  
2       in the amendments made by this subsection may be  
3       construed to affect the terms of any other record-  
4       keeping or reporting requirements applicable to can-  
5       didates or political committees under title III of the  
6       Federal Election Campaign Act of 1971.

7       (b) INCLUDING REPORT ON CUMULATIVE CONTRIBU-  
8       TIONS AND EXPENDITURES IN POST ELECTION RE-  
9       PORTS.—Section 304(a)(7) (2 U.S.C. 434(a)(7)) is  
10      amended—

11           (1) by striking “(7)” and inserting “(7)(A)”;  
12      and

13           (2) by adding at the end the following new sub-  
14      paragraph:

15      “(B) In the case of any report required to be filed  
16      by this subsection which is the first report required to be  
17      filed after the date of an election, the report shall include  
18      a statement of the total contributions received and expend-  
19      itures made as of the date of the election.”.

20       (c) INCLUDING INFORMATION ON AGGREGATE CON-  
21       TRIBUTIONS IN REPORT ON ITEMIZED CONTRIBUTIONS.—  
22      Section 304(b)(3) (2 U.S.C. 434(b)(3)) is amended—

23           (1) in subparagraph (A), by inserting after  
24      “such contribution” the following: “and the total

1 amount of all such contributions made by such per-  
 2 son with respect to the election involved”; and

3 (2) in subparagraph (B), by inserting after  
 4 “such contribution” the following: “and the total  
 5 amount of all such contributions made by such com-  
 6 mittee with respect to the election involved”.

7 **SEC. 203. DISCLOSURE REQUIREMENTS FOR CERTAIN SOFT**  
 8 **MONEY EXPENDITURES OF POLITICAL PAR-**  
 9 **TIES.**

10 (a) TRANSFERS OF FUNDS BY NATIONAL POLITICAL  
 11 PARTIES.—Section 304(b)(4) (2 U.S.C. 434(b)(4)) is  
 12 amended—

13 (1) by striking “and” at the end of subpara-  
 14 graph (H);

15 (2) by adding “and” at the end of subpara-  
 16 graph (I); and

17 (3) by adding at the end the following new sub-  
 18 paragraph:

19 “(J) in the case of a political committee of  
 20 a national political party, all funds transferred  
 21 to any political committee of a State or local  
 22 political party, without regard to whether or not  
 23 the funds are otherwise treated as contributions  
 24 or expenditures under this title;”.

1 (b) DISCLOSURE BY STATE AND LOCAL POLITICAL  
 2 PARTIES OF INFORMATION REPORTED UNDER STATE  
 3 LAW.—Section 304 (2 U.S.C. 434) is amended by adding  
 4 at the end the following new subsection:

5 “(d) If a political committee of a State or local polit-  
 6 ical party is required under a State or local law, rule, or  
 7 regulation to submit a report on its disbursements to an  
 8 entity of the State or local government, the committee  
 9 shall file a copy of the report with the Commission at the  
 10 time it submits the report to such an entity.”.

11 **TITLE III—STRENGTHENING EN-**  
 12 **FORCEMENT AND ADMINIS-**  
 13 **TRATION OF FEDERAL ELEC-**  
 14 **TION COMMISSION**

15 **SEC. 301. STANDARDS FOR INITIATION OF ACTIONS AND**  
 16 **WRITTEN RESPONSES BY FEDERAL ELEC-**  
 17 **TION COMMISSION.**

18 (a) STANDARD FOR INITIATION OF ACTIONS BY  
 19 FEC.—Section 309(a)(2) (2 U.S.C. 437g(a)(2)) is  
 20 amended by striking “it has reason to believe” and all that  
 21 follows through “of 1954,” and inserting the following: “it  
 22 has a reason to seek additional information regarding a  
 23 possible violation of this Act or of chapter 95 or chapter  
 24 96 of the Internal Revenue Code of 1986 that has oc-  
 25 curred or is about to occur (based on the same criteria

1 applicable under this paragraph prior to the enactment of  
2 the Campaign Reform and Election Integrity Act of  
3 1999),”.

4 (b) REQUIRING FEC TO PROVIDE WRITTEN RE-  
5 SPONSES TO QUESTIONS.—

6 (1) IN GENERAL.—Title III (2 U.S.C. 431 et  
7 seq.) is amended by inserting after section 308 the  
8 following new section:

9 “OTHER WRITTEN RESPONSES TO QUESTIONS

10 “SEC. 308A. (a) PERMITTING RESPONSES.—In addi-  
11 tion to issuing advisory opinions under section 308, the  
12 Commission shall issue written responses pursuant to this  
13 section with respect to a written request concerning the  
14 application of this Act, chapter 95 or chapter 96 of the  
15 Internal Revenue Code of 1986, a rule or regulation pre-  
16 scribed by the Commission, or an advisory opinion issued  
17 by the Commission under section 308, with respect to a  
18 specific transaction or activity by the person, if the Com-  
19 mission finds the application of the Act, chapter, rule, reg-  
20 ulation, or advisory opinion to the transaction or activity  
21 to be clear and unambiguous.

22 “(b) PROCEDURE FOR RESPONSE.—

23 “(1) ANALYSIS BY STAFF.—The staff of the  
24 Commission shall analyze each request submitted  
25 under this section. If the staff believes that the  
26 standard described in subsection (a) is met with re-

1       spect to the request, the staff shall circulate a state-  
2       ment to that effect together with a draft response to  
3       the request to the members of the Commission.

4               “(2) ISSUANCE OF RESPONSE.—Upon the expi-  
5       ration of the 3-day period beginning on the date the  
6       statement and draft response is circulated (excluding  
7       weekends or holidays), the Commission shall issue  
8       the response, unless during such period any member  
9       of the Commission objects to issuing the response.

10       “(c) EFFECT OF RESPONSE.—

11               “(1) SAFE HARBOR.—Notwithstanding any  
12       other provisions of law, any person who relies upon  
13       any provision or finding of a written response issued  
14       under this section and who acts in good faith in ac-  
15       cordance with the provisions and findings of such re-  
16       sponse shall not, as a result of any such act, be sub-  
17       ject to any sanction provided by this Act or by chap-  
18       ter 95 or chapter 96 of the Internal Revenue Code  
19       of 1986.

20               “(2) NO RELIANCE BY OTHER PARTIES.—Any  
21       written response issued by the Commission under  
22       this section may only be relied upon by the person  
23       involved in the specific transaction or activity with  
24       respect to which such response is issued, and may  
25       not be applied by the Commission with respect to

1 any other person or used by the Commission for en-  
 2 forcement or regulatory purposes.

3 “(d) PUBLICATION OF REQUESTS AND RE-  
 4 SPONSES.—The Commission shall make public any re-  
 5 quest for a written response made, and the responses  
 6 issued, under this section. In carrying out this subsection,  
 7 the Commission may not make public the identity of any  
 8 person submitting a request for a written response unless  
 9 the person specifically authorizes to Commission to do so.  
 10 “(e) COMPILATION OF INDEX.—The Commission  
 11 shall compile, publish, and regularly update a complete  
 12 and detailed index of the responses issued under this sec-  
 13 tion through which responses may be found on the basis  
 14 of the subjects included in the responses.”.

15 (2) CONFORMING AMENDMENT.—Section  
 16 307(a)(7) (2 U.S.C. 437d(a)(7)) is amended by  
 17 striking “of this Act” and inserting “and other writ-  
 18 ten responses under section 308A”.

19 (c) STANDARD FORM FOR COMPLAINTS; STRONGER  
 20 DISCLAIMER LANGUAGE.—

21 (1) STANDARD FORM.—Section 309(a)(1) (2  
 22 U.S.C. 437g(a)(1)) is amended by inserting after  
 23 “shall be notarized,” the following: “shall be in a  
 24 standard form prescribed by the Commission, shall



1 not include (but may refer to) extraneous mate-  
2 rials,”.

3 (2) DISCLAIMER LANGUAGE.—Section  
4 309(a)(1) (2 U.S.C. 437g(a)(1)) is amended—

5 (A) by striking “(a)(1)” and inserting  
6 “(a)(1)(A)”; and

7 (B) by adding at the end the following new  
8 subparagraph:

9 “(B) The written notice of a complaint provided by  
10 the Commission under subparagraph (A) to a person al-  
11 leged to have committed a violation referred to in the com-  
12 plaint shall include a cover letter (in a form prescribed  
13 by the Commission) and the following statement: ‘The en-  
14 closed complaint has been filed against you with the Fed-  
15 eral Election Commission. The Commission has not  
16 verified or given official sanction to the complaint. The  
17 Commission will make no decision to pursue the complaint  
18 for a period of at least 15 days from your receipt of this  
19 complaint. You may, if you wish, submit a written state-  
20 ment to the Commission explaining why the Commission  
21 should take no action against you based on this complaint.  
22 If the Commission should decide to seek additional infor-  
23 mation, you will be notified and be given further oppor-  
24 tunity to respond.’ ”.

1 **SEC. 302. BANNING ACCEPTANCE OF CASH CONTRIBU-**  
 2 **TIONS GREATER THAN \$100.**

3 Section 315 (2 U.S.C. 441a) is amended by adding  
 4 at the end the following new subsection:

5 “(i) No candidate or political committee may accept  
 6 any contributions of currency of the United States or cur-  
 7 rency of any foreign country from any person which, in  
 8 the aggregate, exceed \$100.”.

9 **SEC. 303. DEPOSIT OF CERTAIN CONTRIBUTIONS AND DO-**  
 10 **NATIONS TO BE RETURNED TO DONORS IN**  
 11 **TREASURY ACCOUNT.**

12 (a) IN GENERAL.—Title III (2 U.S.C. 431 et seq.)  
 13 is amended by adding at the end the following new section:

14 “TREATMENT OF CERTAIN CONTRIBUTIONS AND  
 15 DONATIONS TO BE RETURNED TO DONORS

16 “SEC. 323. (a) TRANSFER TO COMMISSION.—

17 “(1) IN GENERAL.—Notwithstanding any other  
 18 provision of this Act, if a political committee intends  
 19 to return any contribution or donation given to the  
 20 political committee, the committee shall transfer the  
 21 contribution or donation to the Commission if—

22 “(A) the contribution or donation is in an  
 23 amount equal to or greater than \$500 (other  
 24 than a contribution or donation returned within  
 25 90 days of receipt by the committee); or

1           “(B) the contribution or donation was  
2           made in violation of section 315, 316, 317, 319,  
3           or 320 (other than a contribution or donation  
4           returned within 90 days of receipt by the com-  
5           mittee).

6           “(2) INFORMATION INCLUDED WITH TRANS-  
7           FERRED CONTRIBUTION OR DONATION.—A political  
8           committee shall include with any contribution or do-  
9           nation transferred under paragraph (1)—

10           “(A) a request that the Commission return  
11           the contribution or donation to the person mak-  
12           ing the contribution or donation; and

13           “(B) information regarding the cir-  
14           cumstances surrounding the making of the con-  
15           tribution or donation and any opinion of the po-  
16           litical committee concerning whether the con-  
17           tribution or donation may have been made in  
18           violation of this Act.

19           “(3) ESTABLISHMENT OF ESCROW ACCOUNT.—

20           “(A) IN GENERAL.—The Commission shall  
21           establish a single interest-bearing escrow ac-  
22           count for deposit of amounts transferred under  
23           paragraph (1).

24           “(B) DISPOSITION OF AMOUNTS RE-  
25           CEIVED.—On receiving an amount from a polit-

1            ical committee under paragraph (1), the Com-  
2            mission shall—

3                    “(i) deposit the amount in the escrow  
4                    account established under subparagraph  
5                    (A); and

6                    “(ii) notify the Attorney General and  
7                    the Commissioner of the Internal Revenue  
8                    Service of the receipt of the amount from  
9                    the political committee.

10                   “(C) USE OF INTEREST.—Interest earned  
11                   on amounts in the escrow account established  
12                   under subparagraph (A) shall be applied or  
13                   used for the same purposes as the donation or  
14                   contribution on which it is earned.

15                   “(4) TREATMENT OF RETURNED CONTRIBU-  
16                   TION OR DONATION AS A COMPLAINT.—The transfer  
17                   of any contribution or donation to the Commission  
18                   under this section shall be treated as the filing of a  
19                   complaint under section 309(a).

20                   “(b) USE OF AMOUNTS PLACED IN ESCROW TO  
21                   COVER FINES AND PENALTIES.—The Commission or the  
22                   Attorney General may require any amount deposited in  
23                   the escrow account under subsection (a)(3) to be applied  
24                   toward the payment of any fine or penalty imposed under

1 this Act or title 18, United States Code, against the per-  
2 son making the contribution or donation.

3 “(c) RETURN OF CONTRIBUTION OR DONATION  
4 AFTER DEPOSIT IN ESCROW.—

5 “(1) IN GENERAL.—The Commission shall re-  
6 turn a contribution or donation deposited in the es-  
7 crow account under subsection (a)(3) to the person  
8 making the contribution or donation if—

9 “(A) within 180 days after the date the  
10 contribution or donation is transferred, the  
11 Commission has not made a determination  
12 under section 309(a)(2) to seek additional in-  
13 formation regarding whether or not the con-  
14 tribution or donation was made in violation of  
15 this Act; or

16 “(B)(i) the contribution or donation will  
17 not be used to cover fines, penalties, or costs  
18 pursuant to subsection (b); or

19 “(ii) if the contribution or donation will be  
20 used for those purposes, that the amounts re-  
21 quired for those purposes have been withdrawn  
22 from the escrow account and subtracted from  
23 the returnable contribution or donation.

24 “(2) NO EFFECT ON STATUS OF INVESTIGA-  
25 TION.—The return of a contribution or donation by

1 the Commission under this subsection shall not be  
2 construed as having an effect on the status of an in-  
3 vestigation by the Commission or the Attorney Gen-  
4 eral of the contribution or donation or the cir-  
5 cumstances surrounding the contribution or dona-  
6 tion, or on the ability of the Commission or the At-  
7 torney General to take future actions with respect to  
8 the contribution or donation.”.

9 (b) AMOUNTS USED TO DETERMINE AMOUNT OF  
10 PENALTY FOR VIOLATION.—Section 309(a) (2 U.S.C.  
11 437g(a)) is amended by inserting after paragraph (9) the  
12 following new paragraph:

13 “(10) For purposes of determining the amount of a  
14 civil penalty imposed under this subsection for violations  
15 of section 323, the amount of the donation involved shall  
16 be treated as the amount of the contribution involved.”.

17 (c) DONATION DEFINED.—Section 323, as added by  
18 subsection (a), is amended by adding at the end the fol-  
19 lowing:

20 “(d) DONATION DEFINED.—In this section, the term  
21 ‘donation’ means a gift, subscription, loan, advance, or de-  
22 posit of money or anything else of value made by any per-  
23 son to a national committee of a political party or a Sen-  
24 atorial or Congressional Campaign Committee of a na-

1 tional political party for any purpose, but does not include  
 2 a contribution (as defined in section 301(8)).”.

3 (d) DISGORGEMENT AUTHORITY.—Section 309 (2  
 4 U.S.C. 437g) is amended by adding at the end the fol-  
 5 lowing new subsection:

6 “(e) Any conciliation agreement, civil action, or crimi-  
 7 nal action entered into or instituted under this section  
 8 may require a person to forfeit to the Treasury any con-  
 9 tribution, donation, or expenditure that is the subject of  
 10 the agreement or action for transfer to the Commission  
 11 for deposit in accordance with section 323.”.

12 (e) EFFECTIVE DATE.—The amendments made by  
 13 subsections (a), (b), and (c) shall apply to contributions  
 14 or donations refunded on or after the date of the enact-  
 15 ment of this Act, without regard to whether the Federal  
 16 Election Commission or Attorney General has issued regu-  
 17 lations to carry out section 323 of the Federal Election  
 18 Campaign Act of 1971 (as added by subsection (a)) by  
 19 such date.

20 **SEC. 304. ALTERNATIVE PROCEDURES FOR IMPOSITION OF**  
 21 **PENALTIES FOR REPORTING VIOLATIONS.**

22 (a) IN GENERAL.—Section 309(a)(4) (2 U.S.C.  
 23 437g(a)(4)) is amended—

1 (1) in subparagraph (A)(i), by striking “clause  
2 (ii)” and inserting “clauses (ii) and subparagraph  
3 (C)”; and

4 (2) by adding at the end the following new sub-  
5 paragraph:

6 “(C)(i) Notwithstanding subparagraph (A), in the  
7 case of a violation of any requirement under this Act relat-  
8 ing to the reporting of receipts or disbursements, the Com-  
9 mission may—

10 “(I) find that a person committed such a viola-  
11 tion on the basis of information obtained pursuant  
12 to the procedures described in paragraphs (1) and  
13 (2); and

14 “(II) based on such finding, require the person  
15 to pay a civil money penalty in an amount deter-  
16 mined under a schedule of penalties which is estab-  
17 lished and published by the Commission and which  
18 takes into account the amount of the violation in-  
19 volved, the existence of previous violations by the  
20 person, and such other factors as the Commission  
21 considers appropriate (but which in no event exceeds  
22 \$20,000).

23 “(ii) The Commission may not make any determina-  
24 tion adverse to a person under clause (i) until the person



1 has been given written notice and an opportunity to be  
2 heard before the Commission.

3 “(iii) Any person against whom an adverse deter-  
4 mination is made under this subparagraph may obtain a  
5 review of such determination by filing in the United States  
6 District Court for the District of Columbia or for the dis-  
7 trict in which the person resides or transacts business  
8 (prior to the expiration of the 30-day period which begins  
9 on the date the person receives notification of the deter-  
10 mination) a written petition requesting that the deter-  
11 mination be modified or set aside.”.

12 (b) CONFORMING AMENDMENT.—Section  
13 309(a)(6)(A) (2 U.S.C. 437g(a)(6)(A)) is amended by  
14 striking “paragraph (4)(A)” and inserting “paragraph  
15 (4)”.

16 (c) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply with respect to violations occurring  
18 on or after January 1, 2001.

19 **SEC. 305. ABOLITION OF EX OFFICIO MEMBERSHIP OF**  
20 **CLERK OF HOUSE OF REPRESENTATIVES**  
21 **AND SECRETARY OF SENATE ON COMMIS-**  
22 **SION.**

23 Section 306(a) (2 U.S.C. 437c(a)) is amended—

1           (1) in paragraph (1), by striking “the Secretary  
2           of the Senate and the Clerk” and all that follows  
3           through “right to vote, and”; and

4           (2) in paragraphs (3), (4), and (5), by striking  
5           “(other than the Secretary of the Senate and the  
6           Clerk of the House of Representatives)” each place  
7           it appears.

8   **SEC. 306. BROADER PROHIBITION AGAINST FORCE AND RE-**  
9                           **PRISALS.**

10          Section   316(b)(3)   (2   U.S.C.   441b(b)(3))   is  
11   amended—

12           (1) by redesignating subparagraphs (A) through  
13           (C) as subparagraphs (B) through (D); and

14           (2) by inserting before subparagraph (B) (as so  
15           redesignated) the following new subparagraph:

16           “(A) for such a fund to cause another person  
17           to make a contribution or expenditure by physical  
18           force, job discrimination, financial reprisals, or the  
19           threat of force, job discrimination, or financial re-  
20           prisal;”.

1 **TITLE IV—SIMPLIFYING AND**  
2 **CLARIFYING FEDERAL ELEC-**  
3 **TION LAW**

4 **SEC. 401. APPLICATION OF AGGREGATE CONTRIBUTION**  
5 **LIMIT ON CALENDAR YEAR BASIS DURING**  
6 **NON-ELECTION YEARS.**

7 Section 315(a)(3) (2 U.S.C. 441a(a)(3)) is amended  
8 by striking the second sentence.

9 **SEC. 402. TREATMENT OF LINES OF CREDIT OBTAINED BY**  
10 **CANDIDATES AS COMMERCIALLY REASON-**  
11 **ABLE LOANS.**

12 Section 301(8)(B) (2 U.S.C. 431(8)(B)) is  
13 amended—

14 (1) by striking “and” at the end of clause (xiii);

15 (2) by striking the period at the end of clause  
16 (xiv) and inserting “; and”; and

17 (3) by adding at the end the following new  
18 clause:

19 “(xv) any loan of money derived from an ad-  
20 vance on a candidate’s brokerage account, credit  
21 card, home equity line of credit, or other line of  
22 credit available to the candidate, if such loan is  
23 made in accordance with applicable law and under  
24 commercially reasonable terms and if the person

1 making such loan makes loans in the normal course  
 2 of the person's business.”.

3 **SEC. 403. REPEAL SECRETARY OF COMMERCE REPORTS ON**  
 4 **DISTRICT-SPECIFIC POPULATION.**

5 (a) REPEAL REPORT BY SECRETARY OF COMMERCE  
 6 ON DISTRICT-SPECIFIC VOTING AGE POPULATION.—Sec-  
 7 tion 315(e) (2 U.S.C. 441a(e)) is amended by striking  
 8 “States, of each State, and of each congressional district”  
 9 and inserting “States and of each State”.

10 (b) DEADLINE FOR REPORTING OF CERTAIN AN-  
 11 NUAL ESTIMATES TO COMMISSION.—

12 (1) PRICE INDEX.—Section 315(c)(1) (2 U.S.C.  
 13 441a(c)(1)) is amended—

14 (A) by striking “At the beginning” and in-  
 15 serting “Not later than February 15”; and

16 (B) by striking “as there become available  
 17 necessary data from the Bureau of Labor Sta-  
 18 tistics of the Department of Labor,”.

19 (2) VOTING AGE POPULATION.—Section 315(e)  
 20 (2 U.S.C. 441a(e)) is amended by striking “During  
 21 the first week of January 1975, and every subse-  
 22 quent year,” and inserting “Not later than February  
 23 15 of 1975 and each subsequent year,”.

1 **SEC. 404. TECHNICAL CORRECTION REGARDING TREAT-**  
2 **MENT OF HONORARIA.**

3 Section 301(8)(B) (2 U.S.C. 431(8)(B)), as amended  
4 by section 402, is further amended—

5 (1) by adding “and” at the end of clause (xiii);

6 (2) by striking clause (xiv); and

7 (3) by redesignating clause (xv) as clause (xiv).

8 **TITLE V—EFFECTIVE DATE**

9 **SEC. 501. EFFECTIVE DATE.**

10 Except as otherwise specifically provided, this Act  
11 and the amendments made by this Act shall apply with  
12 respect to elections occurring after January 2001.

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